The Daily Dish

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The Hill reports that "the House Ways and Means Committee is expected to announce 11 separate working groups on tax reform as soon as Wednesday…On the Senate side, Finance Committee Chairman Max Baucus (D-Mont.) has been meeting with members, and hopes to release a discussion draft or options paper on tax reform in the spring…President Obama said in his State of the Union address on Tuesday that 'now is our best chance' for a bipartisan deal on tax reform." As such, **today at noon**, American Action Forum and Politico are hosting a conversation on tax reform. Learn more here and join the conversation by using #ProTaxLB.

Last night indicated mostly more of the same from the president. As the *Wall Street Journal* puts it "mindful of the long odds of passing a broad legislative package, Mr. Obama is pledging to use his executive powers when necessary and maximize his leverage by taking his case directly to voters." An aggressive regulatory agenda is neither new nor news.

We'd agree with the president here: "It's not bigger government we need, but smarter government that sets priorities," unfortunately he did not skip a beat before continuing: "and invests in broad-based growth," a thinly veiled call for more spending.

Washington Post's Ezra Klein reacted to the speech noting "the past two years have been all deficit, all the time. But the president doesn't intend to let the next two years be similarly dominated by the debt." True, the conversation in Washington has been driven by talk of reducing the deficit and paying down the debt. Unfortunately, progress has been scarce. While the Dish is eager to see progress and bipartisan agreement, we believe that a growing

$16 trillion national debt and bleak outlook from the CBO require that nearly every policy initiative be mindful of the debt. Indeed paying down the debt is the surest path to economic growth and job creation. And unfortunately, far less progress has been made than the president claims.

Doug's Daily Economic Outlook

A State of the Union address is a White House staffer's hell. Marching orders are given to dream up, flesh out, vet and deliver bold new ideas … that do not contradict the President's campaign promises, offend party apparatchiks, enrage key constituencies, create difficulties with Hill allies, or otherwise be new or bold. The results are often less than overwhelming and explains last night's delivery by the President. In a word, it was tired.

It revealed a president recycling emergency-measure economic ideas ("Fix-It-Now" government employment); a laundry list of new spending on favored constituencies ("Energy Trust"); no energy or commitment on the real problems of debt (we're almost done, let's just raise a lot of taxes and declare victory), entitlement reform (promising to duplicate the achilles heel of the Bowles-Simpson commission — Medicare), and tax reform ("Now is our best chance for bipartisan, comprehensive tax reform" and he promises to do … what?); a repeat of his commitment to "my way or the highway" governance; and not one genuinely new idea for addressing the top problem facing the U.S.: economic growth.

Yes, there were good moments: thoughtful and measured language on immigration reform, a stated commitment to a real Asian and European trade agenda, initiatives on cybersecurity, and a trademark, campaign-style moment on gun violence.

But I doubt there is a consensus on what will be the top priority for his second term. And the lack of a realistic vision for the debt, spending and economy forebodes a 2nd term more dictated by events than driven by the White House.

What We're Reading

What to watch on the U.S. economy on Wednesday — U.S. retail sales, always an important economic indicator, will draw even more scrutiny on Wednesday when it's released at 8:30 a.m. Easter since it's the first report to come out since taxes went up on millions of Americans. The expectation is that higher taxes took a bit out of consumers spending in the first month of 2013. (MarketWatch)

The State of the Union Is…a Speech — The president has delivered another speech. Be still my beating heart. However, give credit where credit is due. With his abdication of leadership and his dismal record, I figured he's stay away from sequester and budget. But what he said left me baffled. (DHE for NRO)

Analysis: Obama isn't in the mood for compromise — President Barack Obama had a simple message for Republicans in Congress: Do it my way. Forget about shutting down the government to force spending cuts, he told the GOP in Tuesday night's State of the Union address. Don't think about defaulting on the debt and, while you're at it, close tax loopholes. Clearly, Obama wasn't in a mood to compromise. (AP)

State of the Union — a matter of measured speech — Here is a guide through some of President Obama's more fact-challenged claims, in the order in which he made them. As is our practice with live events, we do not award Pinocchio rankings, which are reserved for complete columns. (WaPo)

No Agreement on $1.2 Trillion in Cuts as Deadline Nears — It's the latest in a series of fiscal deadlines created by Congress that in the past two years took the U.S. to the brink of a debt default, a government shutdown and middle-class tax increases that neither party wanted. Unless lawmakers act, the across-the-board spending reductions will begin March 1. (Bloomberg)

States Gear Up to Pitch Health Plans — Supporters of the 2010 health law are looking to draft sports teams, pharmacies and political ground operations for their biggest marketing campaign yet: persuading millions of uninsured, hard-to-reach and skeptical Americans to sign up for health plans this fall. Some 30 million people are supposed to gain coverage through the Affordable Care Act, and much of its success hinges on whether that many people sign up for the law's new insurance options. (WSJ)

US housing official says FHA could avoid need for bailout — The U.S. Federal Housing Administration will raise fees and implement other "aggressive measures" so it may not need taxpayer money to cover a projected deficit for the first time in the agency's nearly 80-year history. The mortgage insurer could avoid drawing funds from the U.S. Treasury even if President Barack Obama's budget blueprint due out next month projects the FHA being overwhelmed with losses and short on capital, FHA Commissioner Carol Galante said in remarks prepared for a congressional hearing on Wednesday. (Reuters)

Also From the Forum

MAP: Diversity of State Coverage Options — AAF is tracking state's decisions on the Medicaid expansions and exchanges. As this map indicates, several states opted not to set up their own exchanges or participate in the Medicaid expansion, and more still have made no decision at all. The most certain part of the healthcare law right now is that premiums are going up while states, the federal government insurers, businesses, and families alike are in the dark about the implementation and future of the law. (Map here)